

Message Text

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PAGE 01 SANTIA 01702 032242Z

20

ACTION ARA-20

INFO OCT-01 AF-10 NEA-10 ISO-00 SP-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-03 DODE-00 PA-04 USIA-15 PRS-01

/180 W

----- 072736

R 032018Z APR 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 8038

INFO AMEMBASSY KINSHASA

AMEMBASSY LIMA

AMEMBASSY LUSAKA

AMEMBASSY TEHRAN

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EO 11652: N/A

TAGS: ETRD, CI

SUBJ: MINISTER OF MINES YAVONE ADVOCATES USE OF "ARAB SYSTEM"
FOR COPPER PRICING

REF: TEHRAN 2403

(BEGIN UNCLASSIFIED)

1. IN A PRESS CONFERENCE HELD APRIL 1 MINMINES YOVANE DECLARED THAT CHILE WOULD PUSH FOR THE "ARAB SYSTEM" OF PRICE FIXING FOR COPPER AT THE NEXT CIPEC MEETING. HE EXPLAINED THAT THIS IMPLIES GAINING INDEPENDENCE FROM THE PRESENT SYSTEM OF COPPER CONTRACTS BASED ON THE LME PRICE IN FAVOR OF A PRICE DETERMINED BY THE PRODUCER COUNTRIES. HE DESCRIBED THE ARAB (OPEC) AGREEMENT TO RAISE PETROLEUM PRICES AS "A PATRIOTIC AND HUMANE GESTURE WHICH WILL PERMIT THEM TO INDUSTRIALIZE THEIR COUNTRIES."

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PAGE 02 SANTIA 01702 032242Z

2. IN TODAY'S PRESS CONFERENCE SECRETARY SHULTZ WAS ASKED FOR HIS OPINION ON YOVANE'S STATEMENT. SECRETARY SHULTZ SAID THAT WHILE HE COULD NOT RESPOND DIRECTLY TO A STATEMENT HE HAD NOT YET READ, HE BELIEVED THAT IN GENERAL PRODUCER CARTELS PROVIDE SHORT TERM BENEFITS FOR THE MEMBERS WHICH ARE QUICKLY ERODED WHEN ARTIFICIALLY HIGH PRICES CALL FORTH NEW PRODUCTION OR SPUR THE SEARCH FOR SUBSTITUTES. THE SECRETARY ALSO POINTED OUT THAT SUCH CARTELS ARE MAINTAINED AT THE EXPENSE OF THE CONSUMER. (END UNCLASSIFIED)

(BEGIN LOU)

3. IN RESPONSE TO QUESTION BY AMBASSADOR ON APRIL 2, MINISTER ECONOMY LENIZ AND ECONOMIC ADVISER RAUL SAEZ ON APRIL 2 DENIED YOVANE'S STATEMENT REFLECTED GOC POLICY (SEPTEL NOTAL). THEY ADDED, HOWEVER, THAT GOC IS INTERESTED IN FUNDING MECHANISM WHICH WILL ASSURE FAIR PRICE FOR ITS RAW MATERIAL EXPORTS AND WILL SUPPORT VENEZUELAN PRESIDENT PEREZ' RECENT CALL FOR LATIN AMERICAN COMMISSION TO STUDY SUBJECT OF RAW MATERIALS EXPORTS. (END LOU).
POPPER

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Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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US Department of State
EO Systematic Review
30 JUN 2005

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